



**THE KENNEDY CENTER, INC.**  
Celebrating the Potential of All People

March 9, 2010

To: The Human Services Committee

From: The Kennedy Center, Inc.

Ref: H.B. 5245.

Again, thanks to Senator Doyle, Rep. Walker, Rep. Liddy and the members of the Human Services Committee, for allowing me to speak on behalf of The Kennedy Center and its consumers, families, and employees, in reference to H.B. 5245.

- The Kennedy Center is in support of H.B. 5245, to establish a task force to study the privatization of group homes, but more needs to be considered.
- According to the Department of Developmental Services (DDS) Conversion Savings by Home documentation, the privatization of 17 group homes has saved the State of Connecticut over 5 million dollars. The Kennedy Center proposes that the task force also study the impact of privatization on day and residential services as well. Connecticut is one of only a few states in the nation that still utilizes the dual system of public and private service providers. The system is inefficient and antiquated.
- Practical long-term solutions are needed if the State of Connecticut is serious about saving money. According to the latest data from the Department of Developmental Services (2007), obtained through the Connecticut Business & Industry Association (CBIA), the average cost for community living arrangements by nonprofit providers is \$87,221, compared to state programs that cost \$238,624. Additionally, the average cost of annual day programs from private providers is \$20,052, compared to state providers that cost \$85,298\*. The State can find exceptional savings for taxpayers if it makes more use of the nonprofit service providers.
- Any kind of change in service for this vulnerable population requires careful planning to ensure that our population's needs are met. However, the cost discrepancies previously mentioned reveal that the average rates for community living arrangements are 2.7 times higher when provided by State than the nonprofit provider. Furthermore, the rates for day programs are 4.2 times more expensive when the State provides the services\*.
- The State of Connecticut has to determine the best use of our dollars. As we have seen in the conversion of the 17 group homes, The State will find exceptional savings if it makes better use of its nonprofit service providers.

Again, thank you for your consideration of this important matter. The Kennedy Center is committed to working with the legislature, in any capacity that is needed, to address these issues, and determine reasonable practices that will adequately provide for the population we serve.

\*Connecticut Business & Industry Association, Pete Gioia, CBIA Vice President and Economist, 2003, There is a better way: Cost effective social services through nonprofit providers.

Accredited by



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# DRAFT

DDS Private vs. Public Rates  
From DDS Consolidated Operating  
Report (COR) data and Medicaid  
Operations, DDS Central Office



Community Providers Association  
Caring for Connecticut

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Private CLA Rates-FY2007	
Annual	
Average CLA rate:	\$87,220.00

Public CLA Rates-FY2007	
Annual	
Average CLA rate:	\$238,622.00

Private Day Program Rates-FY2007	
Annual	
Average Rate:	\$20,103.00

Public Day Program Rates-FY2007	
Annual	
West Region	\$68,328.00
North Region	\$65,748.00
South Region	\$121,820.00
Average Rate:	\$85,298.67

Source: 2007 DDS Consolidated Operating Report

Source: Medicaid Operations, DDS Central Office

Medicaid reimbursement rates were revised for FY2009. The data to the right on the updated rates was provided by Medicaid Operations, at the DDS Central Office.

FY09 Revised Daily Interim Rates	
Southbury Daily Rate:	\$990.00
West Regional Center:	\$730.00
North Regional Center:	\$735.00
South Regional Center:	\$1,060.00

CCPA